

# NEW JERSEY HOUSING

& MORTGAGE FINANCE AGENCY

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Melvin R. Primas, Jr.  
Chairman

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February 6, 1992

The Honorable Sharpe James  
Mayor, City of Newark  
920 Broad Street  
Newark, NJ 07102

Anthony M. Villane, Jr.  
Regional Administrator, Regional Housing Commission  
Department of Housing and Urban Development  
29 Federal Plaza  
New York, NY 10278

Zinnerford Smith, Chairman  
Newark Housing Authority  
40 Clinton Street  
Newark, NJ 07102

Gentlemen:

It is my understanding based upon the meeting of Thursday, January 30, 1992, that the Department of Housing and Urban Development (HUD) and the City of Newark are seeking the assistance of the New Jersey Housing & Mortgage Finance Agency to join you in your efforts to provide approximately 1,750 public housing replacement units in the City of Newark. As Chairman of the Agency Board, I am extremely excited to be able to offer our services on this most vital project.

As you know, the Agency is dedicated to the goal of providing decent, safe and sanitary housing for the low-income residents of our state. To date, the Agency has been instrumental in the financing of well over 200 multifamily developments throughout the state.

The Agency has been active in providing construction and permanent financing for the profit and nonprofit sector. It has provided technical assistance to sponsors when needed. Under the auspices of its subsidiary corporation, it has developed and owned developments.

Based upon our past experience, I feel that the Agency can assist you in this endeavor in the following areas:

1. Construction Financing - Since 1967, the Agency has been in the business of providing construction financing to developers of multifamily housing. The Agency is a top tier state housing finance agency. This represents a national recognition of the ability to provide financially sound housing developments. Although the Agency has the ability to provide construction financing, staff will also examine other financing opportunities to see which works best for the circumstance.

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2. Preparation of HUD Documents - The Agency has a long history of working with HUD in administering the Section 8 Program. Most recently, the Agency's subsidiary corporation prepared all of the documents that were needed by HUD for a Section 312 program application on behalf of the City of East Orange. A similar arrangement can be made with regard to the preparation of all HUD required forms under this public housing turnkey development program.
3. Administration of Bid Process - The Agency through its subsidiary corporation, HASCO, has solicited bids in connection with its nonprofit-sponsored projects. This included the preparation of bid packages for professional services as well as the construction of the projects.
4. Construction Monitoring - During construction, the Agency's technical staff routinely visits all housing projects receiving the Agency's construction financing in an attempt to ensure that projects are completed on time, within the budget and in accordance with plans and specifications.
5. Organization and Coordination - Besides helping urban and suburban communities to identify sources of funding for building and rehabilitating housing, the Agency also acts as a bridge in linking the public and private sector in urban housing construction and rehabilitation. The Agency consists of a staff of roughly 200 persons, including architects, engineers, accountants, attorneys, and planners, as well as specialists in mortgage lending, community development, construction, housing management, and marketing. At least one full time staff person will be assigned to ensure that this endeavor is a success.

While the Agency stands ready to assist, a key component to the success of this venture is the creation of the Task Force. Efficient and accurate communication between HUD, the City, the Newark Housing Authority, and the Agency will become a top priority. The Agency will need to rely upon the City to guide the proposed projects through the identification of City-owned sites that are available for this program as well as the planning and zoning approval process. Additionally, the Newark Housing Authority will be needed to seek the appropriate HUD approvals and developer selection from qualified bidders that we will present. HUD will be called upon to respond to submissions in a timely fashion.